(b)The energy consumption per ton of crude steel in developed countries generally ranges from 5-6 G.Cal/tcs.

(c) The Energy consumption contributes 30% to 33% in total cost of production of saleable steel taking coking coal as a part of enerey.

(d) and (e) SAIL Corporate Plan envisages bringing down energy consumption to 7.9 G. Cal/tcs by 2001 7.4 G. Cal/tcs by 2005 respectively.

Modified Proposal of SAIL

4333. SHRI SURESH PACHOURI: SHRI YERRA NARAYANA-SWAMY: Will the Minister of STEEL be pleased to state:

(a)whether Steel Authority of India has sent a modified proposal to the Central Government for the restructuring of Rs. 3,900 crores equity base which has been hanging fire for over a year;

(b) if so, the details of the modified proposal;

(c)whether Government have approved the proposal and if so, the details thereof; and

(d)to what extent the steel production will be increased by this proposal?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) to (c) SAIL is in the process of working out various alternative possibilities of capital restructuring in consultation with the Central Government.

(d) the objectives of the proposal arc to make the equity base comparable with its competitors and to raise resources at optimum cost to finance its various modernisation and technological upgradation schemes. In the proposal, increase in steel production has not been envisaged.

Cost of Mining Equipment

4334. SHRI GHUFRAN AZAM: Will the Minister of STEEL be pleased to state:

(a) whether any comparative study and unit cost of each mining equipment have been made by the National Mineral Development Corporation Limited in regard to purchase and procurement of Hydraulic Excavators supplied by Hyderabad Industries Limited and the item supplied earlaier by Bharat Earth Movers Limited;

(b) whether it is a fact that about 90% advance payment was released to the suppliers of Hyd.aulic Excavators 5.5 CU.M. without even receiving complete supplies and installation result;

(c) whether the units/equipment supplied by HIL/GMMCO have not been functioning well up to the mark;

(d) whether similar equipments had failed to achieve results in SAIL;

(e)whether Government have not instituted any enquiry into the purchase of the equipment at a price double or more than earlier supplies of BEML merely on the alleged increase of slightest capacity; and

(f) if so, the details and the reasons thereof?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) The National Mineral Development Corporation Limited (NMDC) has reported that as per the laid down procedure, comparative study of the equipment is made initially with respect to techno-commercial details. The price bids of technically suitable offers are opened dnd comparative study of the offers again made based on which procurement decisions are taken. This procedure has been followed for the Hydraulic Excavator also.

In the past, no such capacity equipment was supplied to NMDC by Bharat Earth Movers Limited.

(b) As per the terms and conditions of the contract, 10% advance is to be paid on submission of Bank Guarantee, 80% against receipt of despatch documents through the Bank and 10% after eraction and commissioning. In accordance with the terms of the contract, 90% payment was released after receipt of despatch documents.

(c) NMDC has stated that the equipment has been functioning satisfactorily.

(d) SAIL has reported that Hydraulic Excavators supplied by Hyderabad Industries Limited are being gainfully utilised in SAIL mines.

(e) and (f) NMDC has reported that it is strictly following the tendering system whereby offers are obtained from all possible sources of